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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 9, 2010

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 9291

Velina Miller
Quality Building Stone, Inc.
993 West 14730 South
Bluffdale, Utah 84065

Subject: Permit Withdrawal, Quality Building Stone, Inc., Red Chief Mine, S/015/0083, Emery County, Utah

Dear Ms. Miller:

Pursuant to UCA 40-8-16(b) and R647-3-111.1.11, effective immediately, the approval of your Notice of Intention to Conduct Small Mining Operations for the Red Chief Mine (S/015/0083) is withdrawn. While you still have authority to enter the property for reclamation, you no longer have authority to conduct mining related activities or removal of product from the site.

The Division is taking this action at this time, since you no longer have a lease on the property and because the surety is inadequate. On January 13, 2010, the Division received notification from the School and Institutional Trust Lands Administration (SITLA) that the Minerals Material Permit would expire on January 31, 2020. (They clarified that the date was a typographical error and that the permit was actually expiring on January 31, 2010.)

By letter dated July 15, 2009, the Division informed you that the reclamation surety for this site, \$2000.00 in the form of a certificate of deposit held by SITLA, was inadequate and required that you submit additional surety by September 14, 2009. The Division has yet to receive this increased surety, and by rule R647-3-111.1.11, failure to furnish and maintain reclamation surety may, after notice and opportunity for Board hearing, result in a withdrawal of the notice of intention.

Reclamation must be completed no later than May 17, 2010. Requisite reclamation is not extensive: material needs to be removed from the drainage crossing, and there is some material that needs to be backfilled against the rock ledge. Any trash or other debris needs to be cleaned up, and there may be other reclamation requirements of which the Division is not currently aware. Seed should be applied in any areas with unconsolidated material.



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As per UCA 40-8-16(3) and R647-3-111.1.11, you have a right to appeal this notice and request a formal hearing on the matter. To do so, you must file a written request to appeal no later than March 25, 2010. Contact Julie Carter, Administrative Secretary, at (801) 538-5277, if you wish to exercise your right to appeal this decision before the Board of Oil, Gas and Mining. She can provide you with appropriate guidance in preparing your formal hearing request. Your failure to file such a request may preclude you from further participation, appeal, or judicial review with regard to this action. If you choose not to appeal this action, the Division's decision will become final.

If you have any questions regarding this Notice you may contact me at 801-538-5320, or Paul Baker at 801-538-5261.

Sincerely,



Dana Dean, P.E.
Associate Director, Mining

DD:whw:pb

cc: Jblake@utah.gov

Steve Alder, Attorney General's Office

Paul Baker, DOGM

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